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HUMAN ASSISTANCE NEEDS AND DEVELOPMENTS, INC.

**COMPILED FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT ACCOUNTANTS' REPORT**

FOR THE YEAR ENDED JUNE 30, 2001

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/27/02

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Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA

INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
Human Assistance Needs and Developments, Inc.

We have compiled the accompanying statement of financial position of **Human Assistance Needs and Developments, Inc. (HAND)** as of June 30, 2001 and the related statements of activities, functional expenses and cash flows for the year then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 20, 2002

HUMAN ASSISTANCE NEEDS AND DEVELOPMENTS, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2001

ASSETS

Cash	\$12,342
Other assets	<u>100</u>
Total assets	<u>\$12,442</u>

LIABILITIES AND NET ASSETS

Liabilities:	
Accrued liabilities	\$ <u>8,766</u>
Total liabilities	<u>8,766</u>
Unrestricted net assets	<u>3,676</u>
Total net assets	<u>3,676</u>
Total liabilities and net assets	<u>\$12,442</u>

See Independent Accountants' Compilation Report.

HUMAN ASSISTANCE NEEDS AND DEVELOPMENTS, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2001

SUPPORT

Support:

Grant revenue - State	<u>\$125,000</u>
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Total support	<u>125,000</u>
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EXPENSES

Program services:

Community services	<u>121,324</u>
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Total program services	<u>121,324</u>
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Change in net assets	<u>3,676</u>
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Net assets, beginning of year	<u>-0-</u>
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Net assets, end of year	<u>\$ 3,676</u>
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See Independent Accountants' Compilation Report.

HUMAN ASSISTANCE NEEDS AND DEVELOPMENTS, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2001

	<u>PROGRAM SERVICES</u>				
	<u>Governor's</u>	<u>Louisiana</u>	<u>Louisiana</u>	<u>Total</u>	
	<u>Office of</u>	<u>Stadium and</u>	<u>Stadium and</u>	<u>Program</u>	
	<u>Urban Affairs</u>	<u>Exposition</u>	<u>Exposition</u>	<u>Services</u>	
	<u>and Development</u>	<u>District (#192)</u>	<u>District (#262)</u>		
Bank service charge	\$ 12	\$ 27	\$ -0-	\$ 39	
Equipment	8,747	3,371	-0-	12,118	
Insurance	1,138	-0-	-0-	1,138	
Professional fees	6,500	2,500	-0-	9,000	
Rent	6,600	-0-	-0-	6,600	
Repairs	-0-	450	-0-	450	
Telephone	1,776	289	-0-	2,065	
Travel	974	-0-	-0-	974	
Payroll expenses	40,370	32,655	5,000	78,025	
Payroll taxes	3,316	2,650	-0-	5,966	
Supplies	<u>567</u>	<u>4,382</u>	<u>-0-</u>	<u>4,949</u>	
Total expenses	<u>\$70,000</u>	<u>\$46,324</u>	<u>\$5,000</u>	<u>\$121,324</u>	

See Independent Accountants' Compilation Report.

HUMAN ASSISTANCE NEEDS AND DEVELOPMENTS, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2001

Cash Flows From Operating Activities:	
Change in net assets	\$ 3,676
Changes in assets and liabilities:	
Other assets	(100)
Accrued liabilities	<u>8,766</u>
Net cash provided by operating activities	<u>12,342</u>
Increase in cash	12,342
Cash, beginning of year	<u>-0-</u>
Cash, end of year	<u><u>\$12,342</u></u>

See Independent Accountants' Compilation Report.

HUMAN ASSISTANCE NEEDS AND DEVELOPMENTS, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies:

General

Human Assistance Needs and Developments, Inc. (HAND) was incorporated in the State of Louisiana as a not-for-profit entity on October 9, 1990. The primary mission of **HAND** is to offer services to any citizen in need seeking assistance. The services available include training and emergency help with food, shelter, utilities, etc.

HAND currently operates an after school tutorial program. As part of that program, participants are provided information and counseling on matters dealing with AIDS education and awareness, drug and alcohol abuse and teen pregnancy prevention.

Principles of Accounting

HAND is a non-profit, community based organization whose financial statements are prepared on the accrual basis and in accordance with generally accepted accounting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition

Revenue from state grants is recognized when allowable expenditures are made by **HAND**. Funds received for specific purposes but not yet expended are recorded as deferred revenue.

HUMAN ASSISTANCE NEEDS AND DEVELOPMENTS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,
Continued:

Cash

Cash consists of non-interest bearing checking accounts.

Income Taxes

HAND is exempt from federal income taxes through Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

Fair Value of Financial Instruments

HAND considers the carrying amounts of its cash to be fair value.

Financial Statement Presentation

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations", **HAND** is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

Contributions

In accordance with Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made", contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

HUMAN ASSISTANCE NEEDS AND DEVELOPMENTS, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 2 - Contingency:

HAND is a recipient of grants from the State of Louisiana. The grants are governed by various State guidelines, regulations, and contractual agreements.

The administration of the program and activities funded by these grants are under the control and administration of **HAND** and are subject to audit and/or review by the applicable funding source. Any grant found to be not properly spent in accordance with the terms, conditions, and regulations of the funding sources may be subject to recapture.

NOTE 3 - Concentration of Credit Risk:

HAND receives all of its revenues from the State of Louisiana. If the amount of revenues from the State fall below critical levels, **HAND's** operating results could be adversely affected.

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HUMAN ASSISTANCE NEEDS AND DEVELOPMENTS, INC.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

FOR THE YEAR ENDED JUNE 30, 2001

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**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
Human Assistance Needs and Developments, Inc.

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of **Human Assistance Needs and Developments, Inc. (HAND)** and the Legislative Auditor, State of Louisiana and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about **HAND's** compliance with certain laws and regulations during the year ended June 30, 2001 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
Human Assistance Needs and Developments, Inc.

Federal, State, and Local Awards

1. Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

HAND's Federal, state, and local award expenditures for all programs for the fiscal year follow:

	<u>Grant Year</u>	<u>CFDA</u>	<u>Amount</u>
<u>Federal award expenditures</u>			
None	N/A	N/A	\$ <u>-0-</u>
<u>State award expenditures</u>			
Governor's Office of Urban Affairs and Development	7/1/00-6/30/01	N/A	70,000
Louisiana Stadium and Exposition District Grant #192	7/1/00-6/30/01	N/A	46,324
Louisiana Stadium and Exposition District Grant #262	7/1/00-6/30/01	N/A	<u>5,000</u>
Total state award expenditures			<u>121,324</u>
<u>Local award expenditures</u>			
None	N/A	N/A	<u>-0-</u>
Total expenditures			<u>\$121,324</u>

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
Human Assistance Needs and Developments, Inc.

2. For each state award, we randomly selected six (6) disbursements from each award administered during the period under examination, provided that no more than thirty (30) disbursements would be selected.
3. For the items selected in procedure 2, we traced all six (6) disbursements for each state award to supporting documentation as to proper amount and payee.

We examined supporting documentation for each of the selected disbursements and found that the payment was for the proper amount and made to the correct payee.

4. For the items selected in procedure 2, we determined if the six (6) disbursements for each state award were properly coded to the correct fund and general ledger account.

The results of this procedure indicated the disbursements were properly coded to the correct fund and general ledger account.

5. For the items selected in procedure 2, we determined whether the six (6) disbursements from each state award received approval from proper authorities.

Inspection of documentation supporting the disbursements indicated that the disbursements from each state award received approval from proper authorities.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
Human Assistance Needs and Developments, Inc.

6. For the items selected in procedure 2, for Federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for state and local awards, we determined whether the disbursements complied with the grant agreement, relating to activities allowed or unallowed, eligibility and reporting.

Federal awards

Not applicable.

State awards

Activities allowed or unallowed:

We reviewed the previously indicated disbursements for types of services allowed or unallowed noting compliance with allowability requirements.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
Human Assistance Needs and Developments, Inc.

Eligibility:

We reviewed the selected disbursements for eligibility requirements noting compliance.

Reporting:

We reviewed the previously indicated disbursements for reporting requirements noting compliance with reporting requirements, except as follows:

The annual compilation of the financial statements accompanied by an attestation report on compliance with laws and regulations was not submitted to the Legislative Auditor within six months of the close of the fiscal year.

7. For the programs selected for testing in procedure 2, that had been closed out during the period under review, we compared the close-out reports, when required, with **HAND's** financial records to determine whether the amounts agree.

The disbursements selected did not include any programs that were closed out during the period of our review.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
Human Assistance Needs and Developments, Inc.

Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meeting law.)

Comprehensive Budget

9. For all grants exceeding five thousands dollars, we determined that each applicable Federal, state, or local grantor agency/agencies was provided with a comprehensive budget of those grants that included the purpose and duration, and for state grants included specific goals and objectives that included measures of performance.

HANDS provided comprehensive budgets to the applicable grantor for the programs mentioned previously. These budgets specified the anticipated uses of the funds, estimates of the duration of the projects, and plans showing specific goals and objectives that included measures of performance.

Prior Comments and Recommendations

10. No matters were reported.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
Human Assistance Needs and Developments, Inc.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of **Human Assistance Needs and Developments, Inc.** the Legislative Auditor (State of Louisiana), and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

March 20, 2002

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)

March 20, 2002 (Date Transmitted)

Bruno & Tervalon, LLP, CPAs

4298 Elysian Fields Ave.

New Orleans, LA 70122

(Auditors)

In connection with your compilation of our financial statements as of June 30, 2001 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of (date of completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes ☒ No ☐

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes ☒ No ☐

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes ☒ No ☐

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes ☒ No ☐

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes ☒ No ☐

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes ☒ No ☐

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

N/A (x) Yes ☐ No ☐

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

<u>Shirley A. Ad</u>	Secretary	<u>3/13/02</u>	Date
<u>[Signature]</u>	Treasurer	<u>3/13/02</u>	Date
<u>Wilkie R. Lowery</u>	President	<u>3-13-02</u>	Date

HUMAN ASSISTANCE NEEDS AND DEVELOPMENTS, INC
HANDS
1236 VALLETTE ST.
NEW ORLEANS, LA 70114
504 366-2763 (FAX) 504 366 2764

REV. WILLIE STEWARD, PRESIDENT

REV. W.L.T. LITTLETON, EXEC. DIRECTOR

March 20, 2002

**MANAGEMENT RESPONSE AND CORRECTIVE ACTION PLAN
TO ACCOUNTANT'S RECOMMENDATIONS/COMMENTS
COMPILATION AND ATTESTATION
YEAR ENDED JUNE 30, 2001**

Recommendation/Comment

Timely Completion and Submission of Compilation and Attestation

Management's Response

Our organization did not engaged a firm to compile the financial statements for year ended June 30, 2001 because we were advised we had no reporting requirements because our total annual expenditures did not exceed \$350,000. We received during fiscal year ended June 20, 2001 a total of \$125,000 from two state agencies and intended to engage a firm to conduct a biannual audit upon completion of fiscal year ending June 30, 2002. Upon notification of a delinquent audit report and discovery that the stature required the agency provide the Legislative Auditor compiled financial statements with certain representations, we immediately contacted and engaged the public accounting firm of Bruno and Tervalon, CPAs to provide this service. As demonstrated in the attached letters to the Legislative Auditor's Office dated February 6, 2002 and March 8, 2002, our intent and acts were to expeditiously correct this matter and voluntarily bring the organization in compliance with the stature.

Corrective Action

The organization currently understands the reporting requirements and will be in full compliance for future reporting periods.

/s/ W. L. T. Littleton
Rev. W. L. T. Littleton, Executive Director

HANDS Corrected action & response 6-30-01 Compilation

**HUMAN ASSISTANCE NEEDS AND DEVELOPMENTS,
INC
HANDS
1236 VALLETTE ST.
NEW ORLEANS, LA 70114
504 366-2763 (FAX) 504 366 2764**

REV. WILLIE STEWARD, PRESIDENT

REV. W.L.T. LITTLETON, EXEC. DIRECTOR

February 6, 2002

Grover C. Austin, CA
First Assistant Legislative Auditor
P.O. Box 94397
Baton Rouge, La 70804

Re: Engagement of Human Assistance Needs and Developments, Inc.
Engagement Period Ended - June 30, 2001
Date Engagement Approved - October 17, 2000
Statutory Completion Date - December 31, 2000

Dear Mr. Austin:

Our organization did not contact the auditors to begin this annual audit because we were informed that an audit was not required because our funding did not exceed \$350,000. We received during this fiscal year a total of \$120,000 from two state agencies. We now understand the stature regarding audit requirements and have contacted the audit firm of Bruno and Tervalon to proceed with a compilation and attestation report.

I estimate we should have this matter resolved within 30 to 45 days and a report to your office no later than March 15, 2002.

Sincerely,

W. L. T. Littleton /cm

Rev. W.L.T. Littleton, Exe. Director

Delivered via facsimile number 225 339-3870, Legislative Auditor and
504 284 8296, Bruno and Teralon, CPAs

**HUMAN ASSISTANCE NEEDS AND DEVELOPMENTS,
INC
HANDS
1236 VALLETTE ST.
NEW ORLEANS, LA 70114
504 366-2763 (FAX) 504 366 2764**

REV. WILLIE STEWARD, PRESIDENT

REV. W.L.T. LITTLETON, EXEC. DIRECTOR

March 8, 2002

Grover C. Austin, CA
First Assistant Legislative Auditor
P.O. Box 94397
Baton Rouge, La 70804

Re: Engagement of Human Assistance Needs and Developments, Inc.
Engagement Period Ended - June 30, 2001
Date Engagement Approved - October 17, 2000
Statutory Completion Date - December 31, 2000

Dear Mr. Austin:

As a follow up to our previous correspondence to you the auditing firm of Bruno and Tervalon, CPAs is schedule to begin the audit of our agency Tuesday, March 15, 2002. We previously wrote and stated we would have the audit to your office no later than March 15, 2002. however did not foresee scheduling as a ~~probably~~ ^{problem}. Mr. Bruno stated he would have the agency signed another engagement letter and obtain approval from your office to perform a compilation with an attestation report of the program. We now anticipate April 15, 2002 as the completion date, however, will forward to your office a copy of the financial statements and report if completed before this date.

As we previously stated, our organization did not contact the auditors to begin this annual audit because we were informed that an audit was not required because our funding did not exceed \$350,000. We received during this fiscal year a total of \$125,000 from two state agencies. We now understand the stature regarding audit requirements and are in the process of having this engagement completed.

We will keep your office abreast of our progress regarding this matter. Should you have any questions or need additional information, please call me at 504 366-2763 or the agency's accountant Mr. Charles F. Webb, CPA at 504 529 2220.

Sincerely,

W.L.T. Littleton / Ck

Rev. W.L.T. Littleton, Exe. Director

Delivered via facsimile number 225 339-3870, Legislative Auditor and
504 ~~284-8206~~, Bruno and Teralon, CPAs

286-791P